

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2927-01
Bill No.: SB 814
Subject: Higher Education, Minorities
Type: Original
Date: February 20, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue *	(\$203,000)	(\$203,000)	(\$203,000)
Total Estimated Net Effect on General Revenue Fund *	(\$203,000)	(\$203,000)	(\$203,000)

* subject to appropriation.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Higher Education** and **Central Missouri State University** assume this proposal would have no impact on their organizations.

Officials from the **University of Missouri** assume this proposal would cost their organization from \$11,000 to \$16,000 per year.

In response to a similar proposal in a prior session, officials from **Southwest Missouri State University** indicated an annual cost of \$20,000 to \$25,000 for the institutional match.

In response to a similar proposal in a prior session, officials from **Harris-Stowe State College** anticipate the fiscal impact for fiscal years 2003, 2004, and 2005 would be \$45,000.

ASSUMPTIONS (continued)

Oversight assumes that since the current language in statute (Section 161.415.3, RSMo) states “matching funds shall not be taken from money made available to the college or university from state funds”, there will be no state fund fiscal impact to the colleges and universities.

Officials from the **Department of Elementary and Secondary Education** (DESE) assume that to double the number of scholarships from 100 to 200, the current \$200,000 appropriation will need to double in size. To increase the amount by \$1,000 for potentially all of the applicants, the appropriation will require an additional \$200,000 for a total impact of \$400,000 each year.

In a response to a similar proposal in a prior session, DESE responded that approximately 1.6% of minority scholarship recipients are entering the field of special education. Assuming this percentage continues to hold true, it is believed that 3 of the 200 potential recipients of the minority scholarship would qualify for the additional \$1,000. Therefore, the additional cost for this segment of the increase is $3 \times \$1,000 = \$3,000$.

Oversight assumes the percentage of recipients entering the field of special education is the same, and has calculated the fiscal impact accordingly. Increasing the potential number of minority teaching scholarships may not create a fiscal impact because the program is subject to appropriation.

In response to a similar proposal in a prior session, officials from **Truman State University (TSU)** indicated there would be no fiscal impact to TSU.

In response to a similar proposal in a prior session, officials from **Southwest Missouri State University** indicated an annual cost of \$20,000 to \$25,000 for the institutional match.

Officials from **Northwest Missouri State University, Southwest Missouri State University, and Southeast Missouri State University** did not respond to our request for information.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE FUND			
<u>Cost - Department of Elementary and Secondary Education</u>			
Minority Teaching Scholarships *	<u>(\$203,000)</u>	<u>(\$203,000)</u>	<u>(\$203,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND *	<u>(\$203,000)</u>	<u>(\$203,000)</u>	<u>(\$203,000)</u>
*Subject to appropriation			

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would increase the number of minority teaching scholarships from 100 to 200 and would increase the amount of the scholarship from \$2,000 to \$3,000 if the student majors in special education.

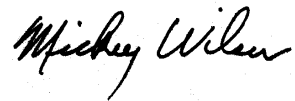
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Higher Education
University of Missouri
Central Missouri State University

NOT RESPONDING

Northwest Missouri State University
Southwest Missouri State University
Southeast Missouri State University

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 20, 2004